UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Information Service
5 South Wabash Avenue
Chicago 3, Illinois

MIDWEST INFORMATION SUMMARY

Confidential
~~Not for Administrative~~ Use Only

July 3, 1946

To: State Offices, Production and Marketing Administration, Midwest Area

From: Walter W. John, Chief, Information Service, Production and Marketing Administration, Midwest Area, Chicago, Illinois

Walter W. John

With the OPA in a state of suspended animation for the next few days at least, we are going to be rather brief in our report of the situations existing in the various commodity channels during the past week. We've tried to keep you advised of Department policy with copies of the official statement issued at Washington. Our only regret was that we could not get this information to you sooner. Here's the picture as we see it today with a glance or two over our shoulder for past events.

Livestock Branch

Public interest is at a peak this week wondering what the price of meats will be and when supplies will approach normal again following the speculative orgy of Monday. With extra large receipts of hogs and cattle at the twelve principal markets following the abnormally low receipts of Monday with consequent inflationary prices, big packers refrained from buying except to bid at former ceiling prices. From the look of things on the Midwest markets Tuesday, lots of cattle and hogs have been held back on farms. Production of meat at Federally-inspected plants has shown a sharp decline, but we don't know to what extent livestock reported held back may have been slaughtered in uninspected channels.

Third quarter meat allocations to be released soon. Situation not sufficiently determined now to indicate level of the allocations although prospects point to no better supplies than last quarter, if as good.

Dairy Branch

We don't know what you are paying for butter --- if you are getting any in your area since OPA's demise (temporary?) --- DP markets last week continued firm. Production now over seasonal peak and declining slowly. Pastures continuing good to excellent, but some grain shortages have been reported. Advance of butter, cheese, and other dairy products prices which may result from current absence of ceilings may bring supplies out of hiding and termination of butter set aside plus operation of WFO-149, effective July 1, should improve civilian supplies of this commodity.

Poultry Branch

Midwest Area office receiving numerous reports from the field that egg quality is falling off badly due to hot weather. Egg storage space still very critical with trade members ready to use storage space anywhere available. One Chicago dealer had five cars of eggs on track all last week and could store only one up to Thursday. One Midwest drier report two confirmed foreign orders for 600,000 pounds dried whole eggs.

The Chicago Mercantile Exchange has requested all members to maintain the OPA status quo. As a result, the egg market here does not reflect severe inflationary tendencies with buyers resisting advances. The slight rise of egg prices since Sunday -- about one-half cent on all grades -- was considered due to seasonal causes with the supply of good eggs diminishing. Only top wholesale grades were reported up to former ceilings (40.1¢).

However, fryers, roasters, and boilers which, during the past week were mostly disappearing in the Black Market at prices reportedly over 40¢ a pound (ceilings were 31.9 to 33.4¢), were selling openly at 39 to 40¢ - average about 7¢ over the former ceiling. Fowls selling under 26 to 28¢ ceilings brought an average of 31¢ on Tuesday.

Cotton Branch

Mill consumption this season running little below 1944-45, but much higher than prewar.

Cotton exports first 9 months of the season, 2,298,000 bales against 1,126,000 bales in same period year earlier. Exports will have to pick up a lot during last quarter, if the total is to reach earlier estimates of 3,500,000 bales.

Cotton imports running exceptionally large...Total for first 9 months, 255,100 bales against 108,300 bales during like period year earlier. Most of increase is short staple harsh cotton from India for use in wool mixtures, mattresses, and the like.

Boll weevils are serious threat to this year's U. S. cotton crop.

Grain Branch

With reference to the Department policy as outlined in the statement mailed to you yesterday, CCC at Chicago reports no purchases made of any wheat under the new program.

Feed situation should improve during the next 30 to 60 days. Mill feed production has increased --- oats a near record crop --- considerable feed stuffs being shipped into deficit feed areas under voluntary program announced several weeks ago. Recent revision in protein meal order makes possible better management by feed mixers in the production of poultry and livestock feed.

Flour and bread situation eased by "loan" wheat program which is being continued into July.

Special Commodities Branch

Until recently, production of pre-cooked cereal baby food has been sufficient to meet current requirements. Production recently reduced, however, due to acute shortage of corn meal, an essential ingredient. One manufacturer has been forced to discontinue manufacture.

Food Distribution Programs Branch

With famine in foreign lands and American consumers faced with higher prices and limited supplies of some foods, food conservation is one of PMA's main objectives. There are many ways to conserve foods and most are excellent. Ohio's PMA Director Kruse has his program lined up to do a real job on food preservation in the Buckeye State --- down on a county level. It's a honey --- should work in every state --- and we pass it on to you We understand that Iowa's Director Loveland has a similar plan.

The Ohio plan:

A. To establish a county exchange center where persons having abundant foods may list them for sale or donation. Also persons and organizations wanting food to process can also register their needs at the county office which may be filled by the abundant produce.

B. The county offices will encourage their personnel to assist school lunch and institutional food preservation units in securing local abundant foods and price support commodities for processing.

C. County offices will be requested to report to the state office any local abundant foods which are not needed within a county so that they can be distributed to other areas that can make use of such commodities.

D. Publicity or informative material relative to food preservation will be developed in the state office for distribution to county offices.

E. Special effort will be made to distribute Government and State College bulletins pertaining to food preservation to schools and institutions which are processing foods.

F. An all out effort will be made to better utilize foods within a county, with special effort placed on local abundances and price support commodities.

G. An informative letter will be developed and sent to all field men giving them complete details pertinent to the part they can play in the over-all food preservati program.

Fat Salvage will have another week of radio network allocations beginning July 22. Obtained through Advertising Council via FMA Information Service. Collections last few weeks have dropped, according to American Fat Salvage Committee. Most drop is due to meat shortage --- some to usual summer slump.

Beginning July 8 and continuing "until further notice," advertising council reports, local radio stations will devote allocations to plentiful supply of potatoes. Stations are warned that they are to "air" no announcements until they have checked local markets through FMA to make sure an abundance of spuds exists in that area.

Peach program proceeding according to plan. Probably will get local radio allocation when crop starts rolling in volume. Same check as on potatoes will be made with FMA. Radio allocations on National Home Food Preservation Week (July 15 to 22) will give peaches boost as good item to be preserved at home or in Community Canning Centers.

We are sending you some informational material on peaches to fit in with any promotional set-up you may develop.

Looks as if abundant food program will have to be planned on onions.

Marketing Facilities Branch

As of June 15, refrigerator car loadings continued near record high.

Loadings heaviest in Southeast and Pacific Coast areas with some shortages in California. However, there was improvement in number of empty cars arriving in West. Big cantaloup movement from Texas now beginning.

Tight boxcar supply has developed into shortages in most parts of United States. Demands for cars come from many sources --- fertilizers, potatoes, melons, cement, lumber, and heavy winter wheat harvest. Last report of grain-on-the-ground was 157,000 bushels, no more than expected at this season.

Grain and grain product loadings for week ending June 15 totaled 45,583 cars, increase of 4.7 percent over previous week, but decrease of 17 percent from same week last year. During first 25 days of June, 108 shiploads of wheat and corn had sailed for famine relief, and 23 boats were loading --- well over June grain target.

Livestock loadings for week ending June 15, were 10 percent below week previous, and 7 percent below same week last year.

Fruit and Vegetable Branch

Potato purchases slackening off in some southern areas as crop ends, but picking up in Midwest. Emergency support program for potatoes approved for North Carolina and Virginia but in effect only in North Carolina at present. Instituted because of lack of transportation facilities and crop outlets. Under this program, after potatoes have been dug, farmer may leave them in field (but covered and protected). He will be paid whether Government can find outlet for them or not.

Purchasing of onions in Texas still in progress, and of fresh cabbage in North Carolina, Kentucky, and Ohio, along with some purchases in few farmers' markets in New Jersey, New York, and Connecticut.

In North Carolina and California car shortages have affected operations of potato shippers.

Southern peach market has weakened greatly, partly because of competition from melons.

Chicago Fruit and Vegetable Marketnews man Farlinger reports OPA situation has not affected market here much because ceilings were lifted on the majority of commodities prior to June 30, however, oranges of desirable size jumped from $6.50 to $10.35 per case. Apples were up about 50¢ per bushel above former ceilings.

The potato market at Chicago is "easier" this week with abundant supplies of Missouri and Kansas cobblers both selling well below the f.o.b. support price, The harvest in these areas is now at its peak and PMA will probably be asked to buy spuds in both states this week. California Long Whites and all red potatoes were firm and strong with reds selling at $3.75 to $4.25 per cwt. Does the situation in your area warrant more "push" to increase civilian consumption and thus cut the need for U.S.D.A. buying? The picture in Chicago seems to warrant consumer promotion of Missouri and Kansas cobblers now selling at $1.75 to $2.00 per cwt.

Peach supplies were liberal on the Chicago market with prices holding up well. Elbertas --- $4.50 to $5.25 per bushel for best quality. Fair Beauties --- $1.75 and Golden Jubilees $2.25 per half bushel.

The onion market was slow and dragging with too many available for diminishing consumer demand resulting from Victory Garden supplies. California yellows --- good quality and good eating --- were selling on the Chicago wholesale market at $1.25 to $1.50 per 50 pound bag. Supplies from greatly increased acreage were far out of line with demand.

Shipping and Storage Branch

U.N.R.R.A. livestock exports through Newport News and Norfolk have increased. Branch is considering Savannah, Ga., as exporting port for livestock.

Embargoes limiting box and refrigerator cars to New York, and export freight to Baltimore, Philadelphia, Galveston, Houston, and Texas City remain in effect. However, recent assignment of additional ships should reduce number of cars at northeastern ports in next few days.

Sugar Branch

Cuban sugar interests much excited over Senate Finance Committee's recommendation on THREE-year extension of Sugar Act of 1937, after House had passed one-year extension. One-year extension (through Dec. 31, 1947)--advocated by U.S.D.A.--is largely non-controversial because major effect would be to continue authority for sugar payments (subsidies). Three-year extension is controversial because of extension of import quota provisions (same as pre-war). As world supply is short, quota provisions will remain in suspension during 1947---as at present and during war years. Cubans fear quotas may be operative in 1948 and almost assuredly will be in 1949--and they want larger percentage of imports than provided for in 1937 Act.

Just to answer a standard query: Authority for sugar rationing by U.S.D.A. is contained in Second War Powers Act. U.S.D.A. delegated this authority to OPA. However, the OPA bill comes out, Government still has authority to ration sugar.

See explanation of sugar ration in U.S.D.A. policy statement.

Materials and Equipment Branch

Aid to farm machinery manufacturers resulted from CPA action channeling pig iron to manufacturers of limited number of items of farm machinery. Plan is "certified purchase" arrangement, similar to method used to help machinery manufacturers get steel as reported last week.

Farm machinery production up last month...but this doesn't indicate trend. Manufacturers recently have been using stockpiles of materials accumulated during work stoppages.

Branch has obtained CPA release of 3,600,000 yards of cotton duck for cotton pick sacks.

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July 16, 1946

To: State Offices, Production and Marketing Administration, Midwest Area

From: Ben E. Fillis, Jr., Acting Chief, Information Service, Production and Marketing Administration, Midwest Area, Chicago, Illinois

No M-WIS last week because of suddenly announced long week end holiday.

Grain Branch

Nearing end of 1945-46 marketing year in blaze of glory, inspected grain exports during week ended June 29, soared to 13,774,000 bushels -- all-time weekly record for grain exports from United States. Exports consisted of 10,161,000 bushels of wheat, 3,606,000 bushels of corn, and 7,000 bushels of oats.

Branch officials were buoyed by July crop report. In prospect -- record corn crop, near-record oat crop, and near-record wheat crop. Big corn crop (if it materializes) should ease pressure on wheat for livestock feeding next winter, when livestock population will be smaller than last winter...Less cheerful was news of reductions in vegetable oil crops that yield high protein meal.

But despite good prospects for 1946 feed and food crops, don't overlook that carryovers are small -- so small, that 1946-47 supply of wheat, for instance, will be smaller than 1945-46 supply. Corn supply may be only little larger than 1945-46 supply, but may have higher feeding value.

Sugar Branch

Seems to need repeating that sugar is still rationed and no plans in prospect to discontin[illegible] Sugar is still "world scarce." U.S.D.A. has the rationing power under Second War Powers Act -- independent of Price Control Act. Should OPA not be resumed, new plans for handli[illegible] physical details of rationing would have to be put into effect. If OPA is renewed, prese[illegible] rationing scheme would continue in effect...In either event, there seems little prospect for any upward revision in sugar rations, at least before second quarter, 1947.

Livestock Branch

OPA last week took action to allow unrestricted livestock slaughter under Control order 2 for July accounting period. OPA, as you know, has retained its part of slaughter control program even though U.S.D.A, July 1, terminated WFO 75.7, which regulated slaughter in federally inspected plants. OPA's action permits unlimited slaughtering of livestock by licensed Class 2 slaughterers (non-federally inspected) during the current accounting period which began on or after June 24. OPA said it would announced quotas for succeeding period during last week of July. Provisions of Control order 2 affecting licenses, meat marking, reporting requirements, etc., remain in effect. OPA said it took action to permit non-federally inspected plants to acquire and slaughter their proportionate share of larger numbers of livestock currently moving to market.

Poultry Branch

Chicago egg futures market has shown drastic declines since July 1. As of the close of the exchange July 12, October's have dropped 470 points since July 1; November's 450; and December's 435. Current receipt prices in southeast Nebraska, northeast Kansas, northwest Missouri and southwest Iowa are averaging about 31 cents per dozen.

While being relatively unimportant at the present time, the only egg storage available is space from which eggs are moving out.

Prices on broilers, fryers and springs have dropped fast on the Chicago market this past week while fowl prices have remained relatively firm. It is anticipated that all poultry prices will suffer further declines as increased culling takes place in laying flocks due, in a part, to the increasingly unfavorable egg feed price ratio which is at the most unfavorable point since 1937. Additional culling and movement are anticipated as a result of additional anticipated price rise in feed, making egg feed ratios still more unfavorable.

Remember 20-million-case surplus of eggs about which there were whispers last fall -- or were they whispers? Well, we had the surplus but didn't notice it.

Here's what happened to make the surplus as painless as having a filling put in China Clippers; We civilians -- that's us, son -- have eaten eggs so far this year at annual per capita rate of 375 instead of anticipated 360. Now, every time each one of us eats five more eggs we use up 2 million cases, collectively speaking. That adds up to 6 million cases, and reduces our surplus to 14 million cases.

Knowing that we were eating eggs at pretty good clip, and hoping that price controls might come off, egg dealers and speculators have stored about 5 million more cases of eggs than we expected they would store. That reduces our surplus to 9 million cases.

The British really started all this. As early as last December they talked of all the dried whole eggs they would need this year. Apparently they made us all want eggs. Anyhow, the British have been buying a lot of dried eggs and some frozen eggs, with their own money, and in shell form these requirements will take more than 7 million cases. That reduces our surplus to less than 2 million cases and that's not worth talking about.

Dairy Branch

The D&P Market News Service Office in Chicago is arranging for space and personnel to staff new offices to be opened soon at Detroit, Cincinnati and Atlanta. Report is that C. D. Hadley will probably be transferred to Detroit from New York. Personnel of the Cincinnati and Atlanta Offices has not been selected. More on this later.

Fruit and Vegetable Branch

Fruit prices have been falling off, with most prices generally lower than ceilings would have been...This includes most deciduous fruits and California lemons and oranges.

U.S.D.A. still buying approximately 600 carlots of potatoes daily, with cumulative total now at 23,000 carlot equivalent -- slightly more than half, California potatoes.

Still a scattering of cabbage being bought, and onion purchase has started in South Carolina. Authorization also made to buy onions in Oklahoma, New Mexico, and Virginia.

Tin plate situation expected to ease by fourth quarter. Sweet potato canners and lemon juice canners have requested increases in present tin plate quotas. Lemon juice canners already granted one increase, but large quantity of lemons still remains to be diverted.

U.S.D.A. recently has been receiving increasing number of complaints under Perishable Agricultural Commodities Act. U.S.D.A. feels these complaints indicate buyers' tendency to pay more attention to quality than they did under war time conditions --- trend that will be reflected in better quality produce on market.

Special Commodities Branch

July 1 cold storage holdings frozen fish estimated at 100 million pounds; compared with 38.4 million pounds year ago, and 65.1 million pounds average for 5-year period, 1939-41. Domestic consumption frozen fish first 4 months 1946 almost as high as 1945--due to continuing trend in consumer acceptance and current short supply of meat.

Production of table salt adequate, but shortages in some areas because of lack of containers. No immediate relief in sight.

An offer of 23¢ per pound for 3,000 tons of pepper in Dutch East Indies expired July 1 without being accepted.

Federal Crop Insurance Corporation

Sales campaigns for winter wheat insurance gathering momentum in the States with early closing dates. Meetings held with representatives of Corporation, regional Field Service Branch offices, State PMA Committees, and farmer fieldmen to outline campaign plans. These conferences followed by district and county meetings to bring plan down to level of operation. Sales begin in some States soon after first of August in order to complete all applications before earliest closing date, August 31.

Notice of damage reports on 1946 insured crops beginning to come into the State crop insurance offices. Some loss adjustments being completed for early losses. Causes of damage are varied, but appearing most often on State lists are: Hessian fly, flood, winterkill, rust, drought, excessive moisture; wind erosion, weeds, chinch bug, and hail, with boll weevil losses likely in some cotton areas.

Plans for 1947 cotton insurance program under discussion and should be ready for announcement soon.

Marketing Facilities Branch

Refrigerator car loadings continue heavy, but somewhat lighter than year ago. Total perishable loadings week ending June 29 were 4½ percent greater than week previous. Movement of empty refrigerator cars from the East increasing. Refrigerator car supply will continue light for some time.

Box cars short in all sections. Commodities in heavy traffic are tin plate, lumber, fertilizer, and grain, including sorghum grains from Corpus Christi, Texas, area.

Loadings of grain and grain products for week ending June 29 totaled 48,399 cars ---increase of 6.8 percent over previous week. During June, 26.385 carloads of grain were delivered at ports for export---all-time high for rail movement of grain to ports for shipment overseas. Previous peak, 20,779 carloads in January, 1946.

For week ending June 29 livestock loadings increased 2.5 percent over week before. Stock car supply getting tight, but no shortages reported.

U. S. Circuit Court of Appeals at Chicago recently ruled that Secretary of Agriculture has exclusive and sole jurisdiction as far as warehouse licensing and licensed warehousemen are concerned. Question has been raised in several States where State commissions are exercising jurisdiction over warehousemen. This should end such controversy.

Materials and Equipment Branch

Tractor export quotas determined by CPA and other Government agencies permit 15 percent of all wheel type tractors to be exported -- one half of which must be sold to UNRRA. Twenty percent of track-laying tractors may be exported, and 5 percent must be sold to UNRRA. No limits on exports to Canada. Percentage of tractor export to countries normally receiving tractors will be squeezed to provide quantities for UNRRA in Western Europe. Benefit to American farmers by export limits is negligible.

Reports from farm machinery manufacturers indicate recent assistance from CPA on obtaining steel and pig iron will result in additional harvesting machinery in very near future.

There's only limited progress in distribution of box nails recently allocated by CPA. Deliveries considerably behind authorizations.

Requests for allocations of potash by fertilizer companies for 10-month period, June 1946 to March 1947, will exceed one million tons of potassium oxide (the pure stuff). Supply will be about 62 percent of requests.

Field Service Branch

Urgent need for seed to replant and increase acreage of red clover, alfalfa, alsike, and other legumes getting first attention of Branch's national, State, and county units. Congress for third year has provided $12,500,000 to provide payments to farmers and to carry on work. Extension, Soil Conservation Service, and other agencies cooperating.

With States reporting increasing pressure for lumber supplies for needed farm repairs efforts are continuing for special allocation through CPA for essential repairs and maintenance of farm buildings.

Compliance and Investigation Branch

Futures trading during fiscal year ending June 30, 1946, had dollar value of $16,826,414,00 nearly two billion more than previous fiscal year.

Branch is conducting periodic training conferences for field investigators and accountants. Meetings already held in Atlanta and New York -- one scheduled July 15-19 for Dallas. Training schools in San Francisco and Chicago in August.

Food Distribution Programs Branch

Radio network allocations on Fat Salvage obtained for weeks of July 22 and July 29.

Local radio allocations on Potato Abundant Food Program started July 8, to continue "until further notice"...On Peach Abundant Food Program begin July 22, and run "until further notice." August 1, SERVING MANY, industrial feeding publication, features peaches on cover and in recipes; spuds all through.

Fact sheet on onions, on which there will be "limited" Abundant Food Program, will reach you this week.

Radio network allocations for Home Food Preservation Week, this week, features heavy pitch on community canning angle.

Fact sheet on School Lunch Program off press in next few days. Many inquiries have come in since passage of National School Lunch Act.

The work of the Industrial Feeding Specialists in the areas is scheduled to be terminated late this month. We understand that some industrial feeding services will be continued in the form of workshops in the states. More -- when we get the details.

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August 6, 1946

To: State Offices, Production and Marketing Administration, Midwest Area

From: Walter W. John, Chief, Information Service, Production and Marketing Administration, Midwest Area, Chicago, Illinois

Administrator Shields left for Europe, Monday, August 5. Will be gone about a month - conferences with officials of various European countries and inspection of conditions related primarily to our export program.

New Price Decontrol Board convened in Washington for first time last week. U.S.D.A. officials conferring with them now on establishment of procedures. U.S.D.A. officials also conferring with OPA regarding decisions on that group of commodities that went back under control with signing of OPA extension act. Announcements expected on these individually, with determinations on meat, dairy, and other major commodities coming later in month.

U.S.D.A. not making any public announcement of recommendations or findings, pending final decisions and determination of Government's over-all position. Many questions of authority and procedure still to be settled.

Long expected informal conferences with key members of Congress regarding proposed field information plan held last week. It is expected that memorandum of understanding will be formally approved within very few days.

Flannagan-Hope bill, now passed by both Houses and sent to President for signature, is designed to provide further agricultural research and to improve and facilitate marketing agricultural products. Authorizes additional increasing amounts for research in four categories:

Payments to States - from $2½ million in 1947 to $20 million in 1951 and unlimited thereafter.

U.S.D.A. for utilization research - from $3 million in 1947 to $15 million in 1951 and unlimited thereafter.

Cooperative research with State experiment stations and other agencies - $1½ million in 1947 to $6 million in 1950 and unlimited thereafter.

U.S.D.A. for marketing research and service, with permission to work through States - $2½ million in 1947 to $20 million in 1951 and unlimited thereafter.

Sugar Branch

Deficit sugar areas still major problem, but with emergency shipments outside of normal trade areas and increase in amount of Cuban raws received, problem should be largely cleaned by next week.

No present plans to change sugar rations either to consumers or to industry.

Harvesting 1946 beet crop begun in California. Beet sugar trade sources feel BAE July crop estimate -- which indicates 1946 crop production of about 1,700,000 tons beet sugar -- is on high side. August estimate (as is customary) will tend to be more nearly accurate and is awaited with more than usual interest.

Revision and clarification of MFO-51 (edible molasses) now "in the works" -- and this is confidential.

One-year extension of Sugar Act of 1937 (through December 31, 1947) is now law.

Cotton Branch

Futures exchanges changed trading rules and now permit price fluctuation of 2 cents a pound in one day instead of former 1 cent limit from previous day's close and 2 cents maximum range.

Wednesday, July 31, 10-market spot cotton average (Middling 15/16 inch) was 33.71 cents per pound -- recovery of 200 points over previous day. Market high established July 18, when this average was 35.72 cents.

All 1945 crop cotton still under loan October 1, will be pooled for producers account by CCC. Loans now outstanding about 48,000 of 215,000 bales placed under 1945 loan.

Recent cotton textiles sales very small, awaiting clarification in pricing policies under revived OPA.

Grain Branch

Chicago CCC office has just completed (today) buying 1,400,000 bushels of oats for UNRRA for early August export. It was purchased at market prices prevailing the last five days.

The office reports little activity on other grains due to fact wheat and corn have been above ceiling. However, 50,000 bushels of wheat were bought Saturday and another 50,000 today indicating wheat price getting down around June 30 ceiling again. No advice on export program beyond August, though office has authority to buy grain for September delivery at June 30 ceilings.

Protein of winter wheat somewhat above average. It averaged 11.61 percent during week at Kansas City, compared with 11.23 for same week last year. Stocks of old wheat totaled 101.5 million bushels, July 1, smallest carry-over in 20 years with exception of drought year, 1936-37. Adding estimated 1946 production gives total prospective supply of 1,233,500,000 bushels, not counting imports.

Canada concluded four-year wheat trade agreement with Great Britain whereby over four-year period she will sell 600 million bushels of wheat at fixed price of $1.55 per bushel for first two years, $1.25 per bushel third year, and $1 per bushel fourth year.

Canadian wheat acreage up 12 percent, with Prairie Provinces seeding 25,176,000 acres, compared with 22,566,000 acres last year.

European wheat prospects continue favorable. Russia harvesting, but is handicapped by lack of equipment. Spain has good crop but some imports necessary. French crop together with North African will about meet French needs.

Corn crop advancing rapidly, about 13 percent tasseled in Iowa according to last week's report.

Feed situation: Demand slackened slightly with increased supplies of grain, good pasturage, and uptrend in millfeed production.

Seeds will be kept under allocation with exception of Ladino Clover, which was eliminated from allocation due to small exports, and alsike and white natural mixtures, which were added to list to prevent them from being blended for export.

Fats and Oils Branch

Omer J. Herrmann, acting director of FMA Fats and Oils Branch, told House Food Committee, July 31, that relief shipments of fats and oils to foreign countries will end December 31.

Domestic supplies expected to be 600 million pounds less during 1946-47 than during 1945-46. This brought about partly by decision last spring to raise and export grain rather than oil-bearing crops and livestock products, resulting in decreased production of vegetable oils and estimated slight decline in production of lard, tallow, and grease. Decision to terminate relief shipments of fats and oils made in attempt to bring U. S. supplies in line with domestic requirements during coming year.

Poultry Branch

Midwest Field office reports top quality eggs continue in relatively scarce supply with prices for such grades continuing high. Poor quality being sharply discounted. Some breaking stock moving back to country points for breaking and drying. Country paying price on CR's showed trend downward with some points at 30¢ for alleged current receipts.

Fowl prices are steady at most points with receipts about normal. Receipts of Springs in terminal markets slow but apparently adequate since prices at standstill. Country paying prices on Springs higher in some cases than terminal market prices -- probably due to activity of eviscerators.

Food Distribution Programs Branch

Revamping of exhibits material on School Lunch now under way to be ready for fall county fair use, since requests already coming in. Fill-in press releases in clearance. Pamphlet cleared and on way to duplication. Instructional film strip for SL operators in works. A small monthly publication to help, with hints and recipes being considered.

Week of August 26, allocated for Fat Salvage radio plugs by Advertising Council. New fact sheet, leaving out mention of 4 cents per pound, in works. Now pending for two weeks of radio allocations in September.

Community canning and Information Service people met last week to plan further moves in program. Miscellaneous Publication No. 544, "Community Canning Centers," now out and available through FMA offices. Answers long-felt need for handing out know-how on every fruit and vegetable; stacked with photos of equipment and drawings of step-saving floor plans.

Fact sheet on Direct Distribution operations and procedures in works; this to be written for hand-out at county level. Also accompanying it will be breakdown by commodities and States of distribution last fiscal year.

Flip-flops on how Abundant Food Programs start and operate out today (August 2). One for each State and extras for needed spots and tours included in order.

Fruit and Vegetable Branch

With Illinois peach crop moving to market, prices at Chicago remained unexpectedly firm for this commodity. The same fact was noticed last week when heavy receipts of Carolinas plus early arrivals from Illinois only slightly weakened the market. Carolinas past peak, but 37 cars came into Chicago, Monday, with 24 from Illinois. Carolina Elbertas sold at $3.00 to $3.75 and Illinois, $3.50 to $3.75 with the f.o.b. price $3.00 for Illinois product. Illinois movement, Market News Man Farlinger believes, will last until the 15th or 20th of August when the Michigan harvest starts. Retail prices at Chicago ranged from $3.65 to $3.99 per bushel --- still rather high for canning. Farlinger believes the market may weaken some this week.

Potatoes -- With the Government purchase program continuing (now 33,500 cars), potatoes continued firm and even strong at Chicago. Washington Long Whites on Monday sold at $3.50 to $3.75, Idaho Russets $3.75, Eastern Idaho Reds at $2.65 to $2.85, and Nebraska Reds at $2.50 to $3.00.

The onion market leveled off last week and Illinois yellows are selling at 90¢ per 50-pound bag. Jumbos from Idaho and California even advanced a little. Washington reports surplus dehydrated will now be sold for export only. Beets firmed up and advanced about 1¢ per bunch.

Apples from Illinois and Michigan declined to $2.50 to $3.00 per bushel for Jonathans. Illinois Weltys, best size, sold for $3.75 to $4.00. Jonathans at ceiling $4.45.

We would appreciate a report from State Offices on the peach supply situation and what steps have been taken to promote marketing of this crop.

First meeting of Fruit and Vegetable Branch of International Emergency Food Committee will be held soon, at which time dried fruits will be considered, with emphasis on whether there is still necessity for allocations.

Special Commodities Branch

Recent BAE report shows 5,787,000 bee colonies on hand in country July 1..... 6 percent above year ago and 33 percent above July 1, 1940. Lumber shortages which restricted production of equipment are given as chief reason U.S.D.A. 1945 goal of 8 percent increase in number of colonies was not reached. Condition of colonies in early June averaged 86 percent compared with 82 percent year ago and 87 percent in 1944. Condition of nectar plants in July was 81 percent normal, compared with 79 percent last year, and 76 percent in 1944.

Although honey actually removed from hives by July 1 was appreciably below last year, prospects still optimistic for substantial honey crop this year. Beekeepers selling relatively little honey during past three weeks -- reluctant to advance prices until they could be assured increases would stand. However, some small beekeepers have boosted prices 15 to 25 percent and apparently intend to hold at that level. Jams and jellies have advanced substantially and some beekeepers planning to use these increases as index of amount people will pay for honey. This would result in retail honey prices of 40 to 50 cents per pound. Information received during week, however, indicates beekeeping leaders and large packers are fearful that more than moderate price increases will so lessen willingness of housewife to buy honey as to substantially reduce that marketing outlet.

Prospects for increasing dry ice production during August have improved greatly as result of inability of British, Netherlands East Indies, and Irish to take delivery of Cuban molasses allocated to them. While formal action not yet taken to revise allocations, OPAR and Sugar Branch now believe approximately 11,000,000 gallons Cuban molasses will become available for immediate shipment to U. S. When OPA distributes part available for alcohol, consideration will be given to recovery of carbon dioxide -- used in making dry ice.

Materials and Equipment Branch

Bale tie situation remains rather critical. Mill production high, but demand so large that sufficient ties probably will not reach all areas until late in the year.

Reports from manufacturers indicate civilian ammunition supplies late this year will compare favorably with 1940 and 1941. Distribution of shotgun shells will be about same...more center fire rifle shells...about same amount .22 calibre rim fire shells.

Insecticide supplies improved during past month. Arsenic and copper sulphate plants now operating after long stoppages. However, stocks of insecticides and fungicides unusually low for this season.

Dry ice remains short especially in northeast seaboard. No prospect of immediate relief because of stoppage of molasses for industrial alcohol production, of which dry ice is a by-product.

Compliance and Investigation Branch

Branch investigating damage to Government-owned wool stored in various warehouses, as well as alleged fraud in connection with weight, type, and quality of wool purchased and sold for CCC by wool-handlers.

Harry Stein, of New York Bakery, Miami Beach, Florida, fined $250, given suspended sentence of six months, and placed on probation for two years for violating enrichment provision of WFO-1.

Marketing Facilities Branch

Rebuttal on current series of hearings on proposed 25 percent increase in freight rates will be held in Washington, followed by oral argument, early in September. There will be no ICC decision on freight rates before then.

Refrigerator car supply has tightened considerably, especially in northern California. All orders being filled, but further tightening expected. Pressure on cars caused by increased loadings of potatoes in East and peaches in South.

Branch has arranged to make continuous survey of volume and progress of grain harvest, available storage space and grain on ground in South Dakota, North Dakota and Montana. Information will be supplied to railroads to aid in distribution of cars, and to WFA, ICC, and State regulating agencies to advise of areas in greatest need of transportation.

Railcar loadings for week ending July 20:

Grain - 63,52[illegible]...increase of 4,49[illegible] cars over previous week and 5,027 over same week last year.

Perishables - 30,315...same as previous week, but 2,284 less than same week year ago.

Livestock - 21,794 (highest weekly loading since July, 1934)...increase of 1,419 cars over previous week, and 8,113 cars more than same week year ago. (BAE-MFB estimate of average weekly loadings for August is 19,000 cars.)

Shipping and Storage Branch

Embargoes limiting box and refrigerator cars to New York, and export freight to Baltimore, Philadelphia, Newport News, Norfolk, Galveston, Texas City, and Houston remain in effect. Houston dock checkers on strike, so Association of American Railroads is issuing no permits for export cargo consigned to Houston.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Information Service
5 South Wabash Avenue
Chicago 3, Illinois

MIDWEST INFORMATION SUMMARY

Confidential
For Administrative Use Only

August 13, 1947

To: State Offices, Production and Marketing Administration, Midwest Area

From: Walter W. John, Chief, Information Service, Production and Marketing Administration, Midwest Area, Chicago, Illinois

Walter W. John

The Decontrol Board is now holding hearings on major agricultural commodities, --- August 12-16, beginning with grain, Monday, August 12, and continuing with Oats and oils, dairy, and meats. Any statements of fact or recommendations from U.S.D.A. will be presented to Decontrol Board administratively -- without public announcement of any kind.

No money available under recently passed Flannagan-Hope bill (H.R. 6932) before Congress convenes in January and possibly not before new fiscal year beginning July 1, 1947.

Five year-round Federal market news offices being opened. New service on dairy and poultry products at Atlanta, Cincinnati, and Detroit; on livestock at Spokane; and on fruits and vegetables at Yakima. Atlanta already has service on cotton, fruits and vegetables, grain, hay, and feed. Cincinnati and Detroit already have service on livestock and fruits and vegetables. This makes 83 year-round market news offices operated by PMA. Market news work dates back to March, 1915, when first report was issued on strawberries at Hammond, La.

Poultry Branch

Goal of 435 million hens and pullets on farms Janaury 1, 1947, awaits Secretary's approval, with announcement likely this week.

Goal --- recommended by Poultry Goals Committee and approved by U.S.D.A. Goals Review Committee --- is about 93 percent of hens and pullets on farms same date this year.

Dairy Branch

Milk order dockets in the mill represent various stages of proposed amendments to permit producer prices to rise above present order maximum levels if farm price of milk for manufacturing continues high or higher than present. Relationship between producer prices and manufacturing milk prices already at greater variance than usual. Action nearly completed in several markets.

Dockets on Cheddar cheese and nonfat dry milk also in mill, but these actions will only effectuate August 1 press release which announced cancellation of August cheese set-aside, reduction of July nonfat dry milk set-aside, and cancellation of August nonfat dry milk set-aside.

Consumer demand for butter continues disappointing. Prices at terminal markets advanced -- irregularly one to two cents higher. Production of top grade restricted in view of price differential for sweet cream. Butter receipts at terminal markets have included larger proportion of medium and lower grade product.

Dairy products markets continued generally firm during past week, with most prices unchanged to slightly higher. Demand for milk appeared highly competitive. Cheese firm. Terminal market supplies showing an increase, but there was continued clearance at prices allowing profit over replacement costs. Cheddar only in fair supply. Process loaf about ample, and Swiss scarce. Evaporated milk firm, with supplies barely adequate in some quarters and no change in prices from previous week. Fluid milk very firm, and supplies about ample, as some manufacturing plants diverted entire supply into fluid channels. Cream markets a trifle irregular. Some manufacturers beginning to draw less on storage stocks and to use more fresh cream for current needs. Dry milk steady to firm, with prices somewhat irregular. Some shortages of spray nonfat dry milk solids, but demand for roller has not expanded. Casein very firm, with urgent demand, but operators not inclined to purchase much at present prices, awaiting action which might result in what are considered more equitable values.

Fruit and Vegetable Branch

Processed vegetable ceilings have been raised to compensate for loss of subsidy. Fresh citrus fruit industry has requested ceiling raises. Tomato canners also have asked ceiling increases to make up for crop losses, particularly those due to blight in East and to drought in Arkansas. Heavy pressure for decontrol of canned and frozen sour cherries.

During last week prices on practically all fresh deciduous fruits have been lower than during week preceding.

Market Newsman Farlinger reports practically all commodities on the Chicago market "draggy," with general tendency since August 1 for prices to work down.

Illinois Elberta peach receipts liberal with prices declining. Tuesday offerings brought $3.00 to $3.25 for best quality, with smaller sizes - 1-3/4 inch - down at $2.00. However, retail prices do not reflect these lower wholesale quotations -- at least not up to Tuesday. One chain on Saturday asked 11¢ per pound.

Potatoes declined 10¢ to 25¢ a cwt. at Chicago during the last three or four days. Government buying -- heavy in the East -- and in other grower areas, is the only thing keeping the potato market up. Some Minnesota, Wisconsin, and South Dakota potatoes arriving at the Chicago market -- probably the harvest of early plantings.

Onions showing additional weakness with Wisconsin Yellows selling at 85¢ to 90¢ per 50-lb. bag, Iowa medium Yellows at 82-1/2¢ per bag, Idaho Jumbos at $1.15 and Washington Jumbo Spanish at $1.05.

Oranges still at ceilings, but apples generally under ceilings.

Support purchases of potatoes have moved over 24-million-bushel mark. Purchase program of potatoes in temporary field storage instituted last week, because of lack of distribution outlets.

Contracts for five million pounds dehydrated potatoes for Navy awarded low bidders in Idaho. Dehydrators will buy all raw potatoes for these contracts at support prices.

Purchase authorizations for onions made to New York, Massachusetts, and Washington, though it is considered somewhat unlikely action will be necessary in Washington. These are in addition to authorizations already in effect.

Shortages of reefer and box cars still hampering movement of fruits and vegetables, particularly potatoes.

Marketing Facilities Branch

Negotiations are underway between ODT, railroads, and RFC to arrange prompt construction of 50,000 new boxcars. Even if orders were placed immediately, officials believe shortage of materials would considerably delay production. Deliveries of new cars to railroads less during first half of 1946 than during same period, 1945.

Loadings for week ending July 27:

Grain...59,121 cars -- decrease of 4,405, or 7½ per cent from previous week, and 15 percent below same week last year.

Perishables...31,874 -- little different from previous week, a decrease of 2,196 or 6.4 percent from last year.

Livestock...17,957 -- decline of 3,837 or 21 percent from previous week, but 25 percent greater than same week year ago.

Special Commodities Branch

Many telegrams from industry indicate desire for price decontrol on honey. During past six months when it has been impossible legally to import honey in 60-pound cans or drums at U. S. OPA ceiling levels, because world prices are higher, several dealers and packers in Mexico and Cuba have been shipping to U. S. in 1-pound and 14-ounce tin cans and 1-pound glass jars. One shipper alone has sent approximately a million pounds of packaged honey to U. S., and another importer with packing plant in Cuba, nearly as much. Three other packers in Cuba also have been shipping in 14-ounce tin cans. Retail demand for imported honey said to be good, with many repeat orders.

Amendment 7 to WFO 72, effective August 1, 1946, establishes bases for allocations for salted fish packed from 1946 catch. Importers who formerly imported from Canada get quotas equivalent to 75 percent of their importations in 1942; those with Newfoundland or Icelandic import history, 65 percent of their 1942 imports. Those who formerly imported from Norway will receive 80 percent of their annual average importations from that country, 1938-40, inclusive.

Amendment to WFO 44 removes restrictions on delivery of Atlantic sea herring, Pacific mackerel, and Atlantic mackerel.

The 10,400,000 gallons Cuban molasses allocated to foreign countries is now being reallocated and shipped to U. S. CPA making part of this available for alcohol production where it will alleviate dry ice shortage.

Materials and Equipment Branch

Retail egg cartons and label paper one-third short of requirements. There's real shortage of milk cans and milk bottle crates.

Fats and Oils Branch

Producers of inedible tallow and grease informed that WFO 67 is still in effect. This limits inventories of producers to one-twelfth of their production during last six months of 1944. Users are having difficulty obtaining tallow and grease. Confusion in industry apparently followed temporary termination of OPA price ceilings.

Shipping and Storage Branch

Embargoes limiting box and refrigerator cars to New York, and export freight to Baltimore, Philadelphia, Galveston, Houston, and Texas City remain in effect. Embargoes limiting export freight to Newpport News and Norfolk also remin in effect. However railroads are issuing freight permits on all requests for entry to port area.

Freezer storage space has become tight in Chicago vicinity.

Food Distribution Programs Branch

Pictures taken of peach displays in both chain and independent stores for use in trade and association publications.

To date 25 States and Hawaii have signed up under new school lunch program. Negotiations proceeding with others. The Chicago Field Office reports ~~agreements~~ school lunch agreements had been signed for Illinois, Minnesota, South Dakota and Wisconsin with Washington approval completed. Also signed are Ohio, Michigan and Missouri but at this writing, Washington final approval has not been announced. Still in the mill are North Dakota, Iowa, Nebraska and Indiana.

New form now available at any post office, for establishing CC Priorities on industrial feeding equipment. Should be filled out in triplicate --- two for CPA and one for Industrial Feeding Division, PMA.

Sugar Branch

Threatened strike in East Coast cane sugar refineries probably will not materialize. Claims of beet sugar processors involving last several crop years settled amicably after series of meetings.

"Cross hauling" and reduction in Cuban year-end carryover stocks resorted to in order to correct U.S. sugar shortage "hot spots" caused by heavy seasonal usage. Most "hot spots" now supplied so that ration evidence can be cashed on demand.

Many queries as to whether sugar prices will be "decontrolled." Official word must come from decontrol board -- but with supplies very tight and rationing still probable for months to come, decontrol appears unlikely.

Tobacco Branch

Erratic markets on flue-cured in the Old Belt indicate some tobacco will go under loan, perhaps starting Monday. In these markets, top prices and market averages are from 4 cents to 7 cents per pound over last year, but tobacco just a fraction below what buyers consider "smoking grade", has been selling for very low prices. For example, basket of tobacco considered to barely make a "smoking grade" might sell for, say, 42 cents per pound. If it was tiniest bit under what was considered "smoking grade" it might well sell for only 16 to 18 cents per pound. Operation of loan program expected to correct this very sharp "drop off."

Cotton Branch

Spot cotton prices recovered after dip from high of several weeks ago. Futures markets went up limit of 2 cents per pound, July 31.

Inquiries for spot cotton numerous but sales relatively small.

Greater activity anticipated with OPA setting higher ceilings for new cotton goods -- about 16 to 18 percent higher than on June 30.

Compliance and Investigation Branch

Cost investigation of 67 Puerto Rican sugar mills and cane-growing establishments recently completed and turned over to Sugar Branch. Investigation was required to furnish Secretary Anderson with accurate information on changed wartime costs and profits in Puerto Rican sugar processing -- in administering the Sugar Act of 1937.

Trading in wheat futures, suspended June 13 at Kansas City, Chicago, and Minneapolis (except for liquidation), resumed in Kansas City on August 5, Minneapolis on July 31, but not in Chicago.

Grain Branch

About 80 percent of wheat for export moving through Gulf ports. Shortage of box cars is limiting factor. Harvesting of spring wheat about completed in South Dakota and generally underway in North Dakota this week. High temperatures hastened grain ripening. Now little danger of rust damage this season. Dry weather in Canadian Prairie Provinces has hastened wheat maturity. Harvesting started in southern Alberta and Manitoba. Protein of winter wheat continues to increase, with week's inspection at Kansas City averaging 11.80 percent.

New corn crop continued to make good progress with moisture ample. Some deterioration noted in Kansas, Oklahoma and Texas due to lack of moisture. Iowa and Ohio Valley corn remains in excellent condition.

Marketings of oats continued to increase. About 8.5 million bushels received at primary markets during past week, making 27 million bushels since July 1, compared with 14.5 last year. Prices at all markets about 5 cents below track ceilings.

Rye markets weak, and prices dropped about 35 cents per bushel.

Barley and grain sorghums remained unchanged at weekend.

Feed markets turned weaker with buyers unwilling to pay prevailing high prices. Wheatfeed production increased to nearly 80,000 tons, and offerings more plentiful. Oilseed meal production declined seasonally. Linseed meal production about same as last year, but copra meal is about 4,000 tons larger.

Rice: Hot weather and adequate moisture promoted rapid maturing, and early varieties will be harvested before August 15.

Federal Crop Insurance Corporation

When farmers sign up for insurance on 1947 cotton crop, they will get simplified contract that provides coverage more nearly equal to investment in crop at different stages of production. Protection against all risks remains same as in 1946. In addition, insured farmer will get complete tables showing exact indemnity he can expect when he suffers loss at any stage of production. Should prevent misunderstanding at adjustment time. Instead of 50 percent and 75 percent coverage, new cotton regulations provide three levels --- Levels A, B, and C. Premium costs will range upward with highest cost for highest coverage under Level C.

Closing dates for filing cotton insurance application will be earlier in most areas for 1947 than for 1946, but farmers should have ample time to consider new program before signing up. Regulations hit cotton States by October.

At present, farmers are signing up for 1947 winter wheat insurance. Early reports from wheat States indicate spotted results from sales campaigns. Some areas show increased interest, indicating higher participation this year. Campaign in other sections getting off to slow start --- in competition with harvest duties.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Information Service
5 South Wabash Avenue
Chicago 3, Illinois

MIDWEST INFORMATION SUMMARY

~~Confidential~~
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August 20, 1946

To: State Offices, Production and Marketing Administration, Midwest Area

From: Walter W. John, Chief, Information Service, Production and Marketing Administration, Midwest Area, Chicago, Illinois

Grain Branch

August grain exports may fall below the million tons programmed, because of shipping difficulties on Pacific Coast and at Gulf ports. Shipments from eastern ports running a little ahead of quantity scheduled.

Wheat receipts at primary markets since mid-June have totaled little more than 100 million bushels, compared with more than 150 million bushels during the same period last year. Corn receipts also have been about 2/3 of volume of corresponding period last year, but oats movement larger.

Early market receipts of Spring wheat showing relatively high percentage of protein. Hard red spring wheat at Minneapolis averaged about 13 percent.

NationalHay Association at annual meeting July 29 adopted official U. S. standards for hay and straw as standards for that Association.

Poultry Branch

Chicago field office reports shell egg production off in all areas, but quality better due to cooler weather. Prices generally higher. Minnesota reports dryers and breakers of consumer quality very active on available supply. Breakers and shippers quoting 31¢ on CR's, but actually paying 32¢ and above to get eggs. Movement of storage eggs still relatively light, but slowly expanding. Under-grades in many instances having no takers.

Poultry prices, the field office reports, show a general decline. Retail stores blame vacations for lack of demand. Supplies plentiful on street with discounts in order if poultry is to move. Chain store ads featuring red meats. Lack of freezer space is slowing processing of chickens and turkeys by Minnesota processors.

Year-long educational program on whys of grading and inspection of poultry and eggs (dairy products too) being planned by Branch and Information Service. Revision of background material to include changes made during war period has started, and outline of program being lined up. Area offices will be asked to take part.

Fruit and Vegetable Branch

Processed sweet and sour red cherries decontrolled August 14. Lemons selling at $4 a box below ceiling at New York auction. At Chicago market price average $3.38 per box, with ceiling of $7.65. All deciduous fruits showing general price decline. Apples and peaches both well below ceilings. Apple decline expected due to large crop. Illinois Elberta peaches sold at Chicago at $3.50 to $4.00 with the peak of the harvest over. Early Michigans now hitting Midwest markets, but the big crop of Michigan Elbertas is expected to reach peak volume September 1. Peach retail prices still out of line at Chicago with wholesale prices --- that is, higher than they need be. Certified seed potatoes also selling well below last year's price.

Support purchases of 1946 potato crop have passed 25 million-bushel mark, and trouble anticipated in handling potatoes so purchased. Beverage alcohol outlets closing, with distillers having supplies worked up and additional grain allocated them. Temporary storage authorizations increasing. Support prices announced for Idaho potatoes and planned soon for Wyoming and South Dakota. Farm Bureau Federation at Chicago meeting recommended potato acreages. Additional onion purchase authorizations granted in Northeast and in Texas, mostly north Texas. Onion crop breaking all records.

Cabbage purchase program extended to November 15, and new areas being added in Midwest and in Rocky Mountain area.

Remaining CCC stocks of canned vegetables transferred to School Lunch Program.

Tobacco Branch

To keep record straight: Tobacco and its products not now under ceilings and WILL NOT BE UNDER CEILINGS UNLESS DECONTROL BOARD TAKES POSITIVE ACTION TO REINSTATE CEILINGS.

Shipping and Storage

Though port conditions have been normal last week or so, embargoes limiting box and refrigerator cars to New York, and export freight to Baltimore, Philadelphia, Newport News, Norfolk, Hampton Roads, Galveston, Houston, and Texas City, still in effect.

Sugar Branch

Tight box car situation making it more than usually difficult to correct the sugar shortage areas --- but they are fewer and less insistent than 10 days ago.

Special Commodities Branch

Reports during past week emphasize very light supply of honey, both for retail trade and for industrial users having quota authorization. Late reports from producing areas indicate that 1946 crop is likely to be smaller than estimated few weeks ago. Weather conditions in several sections unfavorable for nectar-gathering and crop 10 percent below July 1 estimate now appears possible.

BAE report released August 9, indicates 1946 production of oil of peppermint about 5 percent below 1945. If August 1 indications materialize, however, production will exceed 1935-44 by 41 percent.

Materials and Equipment Branch

War Assets Administration holding series or regional sales conferences designed to get more surplus property to farmers. First conferences have been held in Seattle and Chicago.

Fluid milk can shortage still serious. Branch has discussed problem with CPA and will request emergency action immediately.

Compliance and Investigation Branch

Chicago CIB office has warned milk handlers of Minnesota that WFO 149 will be enforced. Agents found 75 percent of handlers checked in mid-July, to be in violation of the Order.

Dairy Branch

Dairy products held steady to firm the past week. Production declined seasonally. Butter prices irregular. Last week's advances of ½ to 3/4¢ were largely lost as result of declines August 12 and 13. Fluid milk supplies continue adequate, and cream ample, with tendency for cream receipts to back up in some quarters as users rely heavily on storage reserves. Evaporated milk firm, prices unchanged, with anticipated larger supplies available for civilians. Nonfat dry milk markets irregular as some dealers advanced prices 1 to 2¢ pr pound. Movement at advanced price slow. Casein very firm and short. Trading at a standstill.

Food Distribution Programs Branch

Broadcast being planned on community canning, with pickups in spots where good human interest stories are available. Seven locations nominated by field force.

New School Lunch pamphlet expected out in few days --- 100,000 copies in first run to take care of pre-school-opening needs.

New push on potatoes which, in 1946, like the poor, are always with us. Overlap of early spuds with intermediate, and intermediate with late, makes continuous program a "must."

Onions still in bountiful supply; peaches well in hand; no immediate signs of other fruits or vegetables getting too plentiful for normal trade channels.

Marketing Facilities Branch

Loadings for week ending August 10:

Grain -- 53,862 cars; 15 per cent less than same week year ago.

Livestock -- 16,209 cars; 8.6 per cent more than same week year ago.

Perishable loadings for week ending August 3 -- 31,715 cars; 2.4 per cent more than corresponding week last year.

Cotton Branch

Revised ceiling prices for basic cotton textiles announced last week by OPA average about 17 percent above June 30 ceilings. Under new price control legislation, ceilings on cotton textiles must be fixed and maintained at not less than sum of (1) raw cotton cost; (2) weighted average of mill conversion costs; and (3) reasonable profit. Cotton ~~mark~~ cost computed either at parity or current market prices, whichever is higher, and base period in determining reasonable profit has been changed from 1936-39 to 1939-41. OPA also announced its intention to revise textile ceilings at least at beginning of each month, provided there has been appreciable change in price of raw cotton (as indicated by average of prices for 30 days ending 23rd of preceding month).

Branch has prepared preliminary outlines for new and expanded cotton marketing research projects to be submitted under provisions of marketing title of Hope-Flannagan Act. Projects are designed to round out cotton marketing research program.